

"GARY KNEW OF POOLS"—COREY

Attended Meetings Where They Were Talked Over, Witness Tells Probers.

HE CONTRADICTS GARY

Latter Told Stanley Committee He Ordered Them Stopped.

OPPOSED BUYING T. C. & I.

Only Yielded at "Panic" Meeting in J. P. Morgan's Office—Why He Got Out.

William Ellis Corey, former president of the United States Steel Corporation, under cross-examination yesterday in the hearing of the Government suit to dissolve the corporation divided his testimony so that about three-fourths of it seemed to please the Government's attorneys vastly and the rest apparently satisfied the attorneys for the corporation.

In that part which seemed satisfactory to ex-Secretary of War Jacob M. Dickinson and Henry H. Cotton, the special deputy Attorney-Generals, Mr. Corey testified that E. H. Gary did not know of the existence of the pools in the various branches of the steel industry prior to 1901, although Judge Gary himself had testified before the Stanley investigating committee in 1911 that when he heard for the first time in 1904 of the existence of the pools he had given orders that they be broken up at once.

Mr. Corey said the Judge not only knew of the pools but had attended the meetings of the steel rail pool, the structural steel pool and the steel plate pool in the years 1902 and 1903.

Mr. Corey also testified that he got out of the United States Steel Corporation as an officer because in a difference with Judge Gary as to the powers of the president and the powers of the chairman of the board the finance committee had sustained Judge Gary. This supplemented the mention in the course of the witness's three days testimony of a number of incidents in which he, a former Carnegie "young man," had found himself fighting Judge Gary and Henry C. Frick, Mr. Carnegie's ancient enemy.

Fell Out With Judge Gary.

Mr. Corey admitted that when he got out of the United States Steel Corporation his sentiments toward Judge Gary were not so cordial as they had been formerly.

He testified that he had opposed the purchase of the Tennessee Coal and Iron Company even up to the meeting in the library of J. P. Morgan in the summer days of 1907, but he had consented to make the resolution unanimous for several reasons. In this connection Mr. Corey testified that the plan suggested by John W. Gates earlier was too high, said he had coined the expression "naïve price" to characterize the plan.

Mr. Corey declared emphatically that during the existence of the Steel Corporation, beginning with its foundation in 1901 and ending with his resignation as president, when he had "special knowledge," competition had flourished, made the place to take steps to dissolve voluntarily. Later there came an emphatic and authoritative denial of this and then there was nothing to gossip about but the question if, by his testimony, Mr. Corey had given himself all around immunity bath or had managed to even up a few old scores with certain individuals who had attacked his business as a competitor.

Others thought that Corey, the last of the Carnegie young men to stick, was putting the facts up to the men responsible for them for the sake of the old time support of the man who put him in business.

Whatever Mr. Corey's motives he threw himself into the chair yesterday with the same cool, alert demeanor he had shown on previous days. He spoke decisively and was willing to answer questions, but not to volunteer anything.

A. Severance, chief of counsel for the corporation, began the cross-examination with some inquiries as to Mr. Corey's rise in the steel trade, from the time he was the superintendent of the Pennsylvania Steel Company to the time he became president of the big combination.

Mr. Severance indicated that he wanted to show that Mr. Corey was a technical man rather than an executive acquainted with pools and the like.

"When you became president of the United States Steel Company you devoted your attention mainly to increasing the efficiency of the plants?" began Mr. Severance.

"Yes," answered the witness, "in general you might say that, but I gave

attention to many branches of the business."

"When did you first know of the domestic steel rail pool?"

"I cannot say."

Was a "Hold Over" Pool.

"Was it after you became president of the Carnegie Steel Company?"

"No, I found the pool in effect when I became president."

"Oh, a hold-over," said Mr. Severance. "Was there ever a written agreement about it?"

"Not that I know of."

"When was it broken up?"

Mr. Corey said in the latter part of 1904 or the early part of 1905, he did not remember.

"And from the time it was broken up there was no agreement between the rail manufacturers to increase, maintain or reduce prices?"

"There was not."

"And did not railmakers of the country at times want to raise prices and the corporation refuse?"

"I heard suggestions to that effect," replied the witness.

"Was there any general testimony that prices of rails abroad at times were higher than in the United States, but Mr. Corey was unable to comment on a price scale read by Mr. Severance. There was more testimony about the international rail understanding.

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somehow the word to 'understanding'."

Mr. Severance asked the latter term, Judge Dickinson smiled blandly at the corrections and goes on his way.

The international agreement or understanding had little attention and Mr. Severance turned to the Tennessee Coal and Iron absorption, which keeps cropping up.

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